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SUBJECT: SCENESETTER FOR CODEL SAXTON VISIT TO TURKEY

REF: A) 6307 B) STATE 285773

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ACCORDINGLY

SUMMARY

1. You arrive in Ankara at a time when Iraq remains the focus of the US-Turkish relationship which in fact is much broader. The Turks are seized with two primary Iraq-related issues: The decision, approved by Parliament October 7, to contribute troops to the stabilization force in Iraq, and the presence of PKK/Kadek terrorists in northern Iraq. While the Turks insist the two issues are not linked, senior GOT officials including PM Erdogan have made it clear that concrete progress by the US on PKK/Kadek will strengthen the GOT's hand in convincing a skeptical populace to support contributing troops to Iraq. Also playing into the dynamic will be statements by the Iraqi Governing Council on its views of the Turkish deployment. On its larger Iraq policy, the GOT is trying in the face of some military and public opposition to shift its Iraq policy away from one centered on northern-Iraq and ethnic (Kurd or Turkmen) issues towards a more central Baghdad-oriented policy based primarily on stability through trade, humanitarian assistance and commercial opportunities for Turkish businesses. The new focus could help re-establish the confident cooperation that characterized U.S.-Turkish relations until earlier this year.

2. The GOT tells us it is committed to finding a comprehensive solution on Cyprus, but continues to emphasize flaws in the Annan plan and does not have an alternative route to a comprehensive settlement. The GOT remains open in principle to improving relations with Armenia, but refuses to open its border with Armenia and insists that improvement of bilateral relations can only after a resolution to the Nagorno-Karabakh problem. Turkey has issued positive statements in support of the Middle East Roadmap and a number of high-level Israeli officials have visited Ankara recently, but the Turkish populace generally sympathizes with the Palestinians. Turkey has supported USG policy objectives in Syria and Iran.

3. The governing Justice and Development (Turkish acronym: AK) Party came to power with an overwhelming Parliamentary majority in November 2002 and continues to pursue reforms geared at gaining EU accession. However, there is a question within Turkey as to whether AK is committed to reform and a number of elements within the country continue to oppose AK at every turn. On the economic front, two years of sound fiscal/monetary policy and structural reforms, the rapid and successful conclusion of the Iraq war, expected US financial assistance, and unprecedented IMF support have combined to bring down inflation and interest rates, restore modest growth, and create some hope that Turkey can work its way out from under a high public debt burden. The government has an opportunity in the coming months to win the economy some much-needed breathing room, but this will require committed implementation of IMF-supported reforms as well as wise conduct of foreign policy. End summary.

IRAQ

4. There has been a concerted effort on the part of the GOT to shift its Iraq policy away from one centered on ethnicity (Turkmen and Kurd) and northern Iraq towards a more central, Baghdad-oriented policy based primarily on contributing to stability through trade, humanitarian assistance and commercial opportunities for Turkish businesses. However, GOT efforts have not found much traction with parts of the

military, the press or the public which remain focused on northern Iraq issues. The Turks have taken a number of concrete steps in humanitarian assistance and reconstruction since Secretary Powell's April visit to Turkey. The World Food Program (WFP) continues to ship considerable quantities of food through Turkey, and Turkey is also the world's biggest supplier (in value terms) to WFP. The GOT also has supported the US military's efforts to establish a ground line of communications (GLOC) here to re-supply US forces in Iraq. Turkey recently facilitated a Turkish company's export of electricity to Iraq, continues to support fuel barter deals to supply essential energy supplies to the Iraqi people, and has offered some commercial/aid deals that Washington and CPA are considering.

15. The GOT asked and received on 10/7 Parliament,s approval to make a military contribution to the stabilization force in Iraq. The GOT is concerned that statements by some IGC members suggesting the IGC would not welcome Turkish troops will harm GOT efforts to convince the Turkish public to support a Turkish role. Some Turks (including President Sezer) argued that further UN action (i.e. a UNSCR mandate) is required. Others (including FM Gul) sought more UN, NATO, or Iraqi involvement in requesting Turkish support to convince Turkish public opinion that their support would be welcome. However, with the passage of the motion in Parliament, expectations are that there will soon be US-Turkey talks to determine the details of the Turkish deployment (including where the Turks would serve, how many soldiers they would bring, what supply line routes they would use, what us support would be provided, etc. We do not yet have information about when or where such discussion will take place. The Parliament,s decision, and PM Erdogan,s initiative to secure the Parliament,s support will have a significant impact on our relationship with the GOT.

16. The Turks also remain concerned about the presence of PKK/Kadek terrorists in northern Iraq. Parliament recently passed a "re-integration" law allowing non-leadership members of the PKK/Kadek to return voluntarily to Turkey. Results of the law have been disappointing so far. The Turks are looking to the USG to implement our commitment to eliminate the PKK/Kadek threat from Iraq. State's Counter Terrorism Chief Amb. Black was in Ankara October 2 to discuss PKK/Kadek and agreed with the Turks on a plan of action using the full range of statecraft tools to eliminate the PKK/Kadek threat. The Turks also remain disturbed by what they consider to be Kurdish (vice US or Iraqi central authority) control of the Iraqi side of the Turkish-Iraq border and a perceived US favoritism of Kurds over Turkish interests. As the US and GOT attempt to put behind us hard feelings from a July 4 incident, where the U.S. arrested Turkish troops believed to be working contrary to efforts to create stability, the event and the Turks' perception that we mishandled it are likely to linger in the background of the relationship.

CYPRUS

17. The AK Government states that it remains committed to finding a solution on Cyprus, both for domestic political reasons and its interest in promoting Turkey's EU candidacy. Turkey's long support for Denktas, his rejection of the Annan plan, and Denktas supporters in Ankara retard progress towards a comprehensive solution. Much will depend on the government's willingness to take on this issue between now and May 2004, when Cyprus' EU membership becomes effective. AK owes nothing politically to "TRNC" leader Denktas and is thus interested in promoting transparent and fair elections in the North this coming December. December Parliamentary elections in northern Cyprus have become a de facto referendum on a comprehensive solution, and we continue to encourage the Turks to persuade Denktas to allow free and fair elections, including international observers. We are concerned by continuing credible reports of padding voter rolls with new "citizens", media manipulation, politically motivated hirings and firings of civil servants, and interference by Turkish officials.

ARMENIA

18. The AK government is much less wedded to Azerbaijan,s ruling Aliyev family than its predecessors. However, continued GOT linkage of normalization of relations with Armenia to improvements in Nagorno-Karabakh has retarded progress. AK officials tell us they recognize the potential trade and development benefits to Turkey from opening the

border. However, AK officials have made it clear, as have the MFA and other Turkish officials, that passage of any Armenian genocide language, even by only one chamber of Congress, will set progress back significantly.

MIDDLE EAST

¶9. Turkey prides itself on its good relations with both Israelis and Palestinians. While it supports the U.S.-sponsored Road Map, Turkey is leery of getting too far ahead of a Turkish populace that generally sympathizes with the Palestinian side. On Syria and Iran, Turkey argues that Turkey: 1) lives in a rough neighborhood and has an interest in minimizing friction with its neighbors; and 2) shares the same values and goals in the Middle East as the U.S. (stability, democracy and prosperity). In this regard, Foreign Minister Gul delivered a call for democracy and reform in the Islamic world at the June OIC Summit in Tehran.

DOMESTIC POLITICAL SCENE

¶10. The governing AK Party, which came to power with an overwhelming Parliamentary majority in November 2002, continues to pursue democratic and political reform (para 12). Meanwhile, AK's principle challengers -- the opposition CHP and the xenophobic Genc Party -- have lost momentum. AK insists it is wedded to democracy and strong relations with the EU and US. However, most people in the Turkish establishment question AK's sincerity and remain concerned about its religious roots. There are also questions about AK's ability to field an experienced and competent bureaucratic team. Turkey's generals are keen to protect their status as Guardians of the (Kemalist) Republic and the version of "secularism" that has prevailed in Turkey. They, and much of the established State, see AK as a challenge to the founding ideology of Ataturk's Turkey.

¶11. The AK Government handled the run-up to Operation Iraqi Freedom badly and initially did not show leadership in the debate about whether Turkey should participate in a stabilization force for Iraq. However, the government has gained better footing since PM Erdogan took over in March ¶2003. PM Erdogan and FM Gul demonstrated good political leadership in the face of continuing opposition in the October 7 Parliamentary approval to send troops to Iraq. The party's October 12 convention will provide further indications whether Erdogan can or wants to bring coherence to the party and the government.

POLITICAL REFORM PROCESS

¶12. In the first eleven months in power, the AK Government has passed a series of democratization and political reforms in the context of EU harmonization. In doing so, Turkey is garnering praise from the EU, which should decide by Dec. 2004 whether to begin formal accession talks with Turkey. The reform packages are designed to expand freedom of expression including mother tongue (i.e. Kurdish language) rights, crack down on torture, and raise the relative authority of elected civilians vis-a-vis the military. There are questions, however, whether the AK government will implement these reforms rapidly, particularly given the resistance from those in the judiciary, military and other elements of the State which are content with the status quo and suspicious of AK, the EU and the US. The AK Government has also launched an anti-corruption drive that appears far more comprehensive than any conducted by previous governments. Nevertheless, many Turks wonder how far AK will take its anti-corruption drive, including against allegations of corruption in the military and corruption within AK itself.

THE ECONOMY

¶13. Two years of sound fiscal/monetary policy and structural reforms, the rapid and successful conclusion of the Iraq war, expected U.S. financial assistance, and unprecedented IMF support have combined to bring down inflation and interest

rates, restore modest growth, and create some hope that Turkey can work its way out from under a high public debt burden. The Turkish Government has an opportunity, between now and the end of the year, to build on this momentum and thus push the economy away from the financial precipice on which it has been perched for the past three years. This will require the government, which so far has implemented the IMF recovery program with muted enthusiasm, to complete the next IMF review rapidly, proceed with scheduled privatizations, win a positive EU report in October, and improve the environment for foreign direct investment. Failure to take advantage of this opportunity will not necessarily mean another crisis, but will leave the economy extremely vulnerable to external or internal shocks and undermine the potential for prosperity. In late September, the US and Turkey signed an agreement under which the USG will provide \$8.5 billion on low-interest loans to support Turkey's economic reform efforts. Money under the agreement could begin flowing as early as late October.

CHILD CUSTODY

14. Turkey has been a signatory to the Hague Convention since August 2000. Since that time, we are unaware of any children being returned to any country without the agreement of the abducting parent. There are systemic problems: 1) Courts meet for 10 minutes monthly on an individual case and do not focus on Hague issues; 2) judges do not understand the Hague Convention requirement and rule on custody rather than Hague issues, thereby requiring a lengthy appeal process; 3) the legal process lasts between 2-3 years total; and 4) the Ministry of Interior does not focus resources on finding the abducted child and the parent. The US currently has four applications pending, each for return of one child to the US. In one case the child has now been in Turkey over a year due to the slow court process and the judge used that delay to rule the child should stay in Turkey. In another case, the Government of Turkey has been unable to locate a child abducted to Turkey in October 2002. Due to physical abuse by the abducting father, the Turkish court ordered the child returned to the mother immediately. The Interior Ministry places a low priority on these types of cases and has been unable to locate the child.

TURKISH MEDIA

15. Turkey has a lively and colorful media scene. Reporting often includes absolute fantasy passed as fact. Despite the large number of newspapers, however, readership is not as broad and deep as might be expected. Newspapers are influential in major cities but not far beyond. Most Turks get their news from television. Except for government-owned TRT television, all television stations in Turkey, like the print media, are owned by either individual businessmen or conglomerates. The press will be interested in your visit and seek comments at a number of venues.

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